

## Message Text

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PAGE 01 PRAGUE 03613 271138Z  
ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00  
INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01  
FRB-03 OMB-01 L-03 SS-15 NSC-05 PA-01 PRS-01 USIA-06  
/086 W

-----271152Z 129719 /20

R 271045Z DEC 76  
FM AMEMBASSY PRAGUE  
TO SECSTATE WASHDC 1726  
INFO USMISSION GENEVA

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E.O. 11652: N/A  
TAGS: ETRD, CZ  
SUBJECT: BILATERAL TEXTILE AGREEMENT

REFS A. PRAGUE 3053 B. STATE 189550 C. PRAGUE 2055

1. SUMMARY: GOC HAS PROVIDED NEW DRAFT OF NOTE ON TERMINATION  
OF BILATERAL TEXTILE AGREEMENT. SUBSTANCE APPEARS SAME AS  
PREVIOUSLY ACCEPTED (REFS B AND C) BUT DEPARTMENTAL  
GUIDANCE IS REQUESTED ON IMPORTANCE OF CHANGES MADE. END SUMMARY.

2. ON DECEMBER 20 NOVOTNY OF MINISTRY OF FOREIGN AFFAIRS GAVE  
DCM DRAFT GOC NOTE ON REPLACEMENT OF EXISTING BILATERAL TEXTILE  
AGREEMENT WITH CONSULTATIVE MECHANISM.

3. ALTHOUGH FORMAT AND SOME WORDING CHANGED, SUBSTANCE OF  
UNDERSTANDING APPEARS THE SAME. MAJOR DIFFERENCES WITH EARLIER  
PROPOSED DRAFT ARE: A) IMPETUS FOR DROPPING THE BILATERAL  
AGREEMENT APPEARS TO COME FROM CZECHOSLOVAK SIDE RATHER THAN U.S.  
SINCE FIRST AND NEXT TO LAST PARAGRAPHS HAVE BEEN REWRITTEN TO  
SHOW CZECHOSLOVAKS INITIATING AND U.S. RESPONDING RATHER THAN VICE  
VERSA; B) NEW PROPOSAL DOES NOT MENTION THE REASON FOR NEW  
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PAGE 02 PRAGUE 03613 271138Z

UNDERSTANDING IS TO BRING U.S.-CZECHOSLOVAK TEXTILE TRADE IN  
LINE WITH ARRANGEMENT; C) NUMBERED PARAGRAPH 1 OMITS "AS  
AMENDED" WHEN REFERRING TO BILATERAL AGREEMENT.

4. TEXT OF GOC PROPOSED NOTE READS: QUOTE: THE FEDERAL  
MINISTRY OF FOREIGN AFFAIRS PRESENTS ITS COMPLIMENTS TO THE EMBASSY

OF THE UNITED STATES OF AMERICA AND, WITH REFERENCE TO NEGOTIATIONS HELD BETWEEN BOTH SIDES IN THIS MATTER, HAS THE HONOUR TO ADVISE THAT THE GOVERNMENT OF THE CZECHOSLOVAK SOCIALIST REPUBLIC AGREES THAT THE MUTUAL TRADE IN TEXTILES BETWEEN THE CZECHOSLOVAK SOCIALIST REPUBLIC AND THE UNITED STATES OF AMERICA BE CARRIED OUT ON THE BASIS OF THE FOLLOWING UNDERSTANDING:

1/ THE VALIDITY OF THE AGREEMENT ON TRADE IN COTTON TEXTILES BETWEEN THE CZECHOSLOVAK SOCIALIST REPUBLIC AND THE UNITED STATES OF AMERICA, SIGNED ON 29 AUGUST 1969, SHALL BE TERMINATED UPON ENTRY INTO FORCE OF THIS UNDERSTANDING.

2/ THE CZECHOSLOVAK SOCIALIST REPUBLIC AND THE UNITED STATES OF AMERICA WILL CONTINUE IN THEIR MUTUAL TRADE IN COTTON, WOOL AND MAN-MADE FIBRE TEXTILES AND APPAREL PRODUCTS. SHOULD THE EXPORT OF THESE PRODUCTS FROM THE CZECHOSLOVAK SOCIALIST REPUBLIC TO THE UNITED STATES OF AMERICA DEVELOP IN SUCH A MANNER SO AS TO CAUSE OR THREATEN TO CAUSE IN THE UNITED STATES OF AMERICA PROBLEMS OF MARKET DISRUPTION AS DEFINED IN THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES SIGNED ON 20 DECEMBER 1973 IN GENEVA, THE GOVERNMENT OF THE UNITED STATES OF AMERICA MAY REQUEST CONSULTATIONS WITH THE GOVERNMENT OF THE CZECHOSLOVAK SOCIALIST REPUBLIC. THE GOVERNMENT OF THE CZECHOSLOVAK SOCIALIST REPUBLIC SHALL RESPOND TO SUCH A REQUEST WITHIN 30 DAYS AND WITHIN THE NEXT SIXTY DAYS IT SHALL TAKE PART IN CONSULTATIONS /UNLESS OTHERWISE AGREED/ IN ORDER TO ARRIVE AT AN EARLY SOLUTION ON MUTUALLY ADVANTAGEOUS TERMS ON THE BASIS NOT LESS FAVOURABLE THAN THAT PROVIDED BY THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES OF 20 DECEMBER 1973.

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PAGE 03 PRAGUE 03613 271138Z

THE FEDERAL MINISTRY OF FOREIGN AFFAIRS REQUESTS THE EMBASSY OF THE UNITED STATES OF AMERICA FOR THE CONFIRMATION OF THIS UNDERSTANDING WHICH SHALL COME INTO FORCE ON THE DATE OF THE DELIVERY OF THE EMBASSY'S NOTE TO THIS EFFECT.

THE FEDERAL MINISTRY OF FOREIGN AFFAIRS AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY OF THE UNITED STATES OF AMERICA THE ASSURANCE OF ITS HIGHEST CONSIDERATION. UNQUOTE.

5. NOVOTNY, IN PRESENTING DRAFT NOTE, MADE FOLLOWING POINTS;

A) GOC CONSIDERS THE PRESENT 1969 ACCORD VALID UNTIL EXCHANGE OF NOTES TERMINATES IT AND BRINGS NEW UNDERSTANDING INTO EFFECT;

B) HE BELIEVES THERE IS NO SUBSTANTIVE DIFFERENCE BETWEEN NEW DRAFT AND ONE PREVIOUSLY APPROVED BY MINISTRY OF FOREIGN TRADE (REF C);

C) GOC WOULD LIKE TO ALTER LANGUAGE IN PENULTIMATE PARAGRAPH TO DROP WORD "CONFIRMATION" YET RETAIN IDEA THAT NEW UNDERSTANDING TAKES EFFECT IMMEDIATELY UPON EXCHANGE OF NOTES.

6. WE HAVE NOT DISCUSSED NEW LANGUAGE IN DETAIL WITH NOVOTNY AND DO NOT KNOW REASON FOR POSITION OR HOW FIRMLY IT IS HELD. EMBASSY HAS NO OBJECTIONS TO CHANGES MADE BY GOC BUT IS NOT IN POSITION TO JUDGE RELEVANCE OF MAJOR CHANGES NOTED PARA 3 ABOVE. WE BELIEVE THAT SINCE SUBSTANTIVE PORTION OF UNDERSTANDING IS ACCEPTABLE, WE CAN PROBABLY REACH AGREEMENT ON WORDING WITH LITTLE DIFFICULTY.

7. ACTION REQUESTED: PLEASE PROVIDE GUIDANCE AS SOON AS POSSIBLE SO THAT THIS ISSUE CAN BE FINALLY RESOLVED.  
BYRNE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 27 DEC 1976  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Document Unique ID:** 00  
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**Film Number:** D760472-0910  
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